

Utilities Rates and Other Charges

MANY FACTORS AFFECT UTILITIES RATES

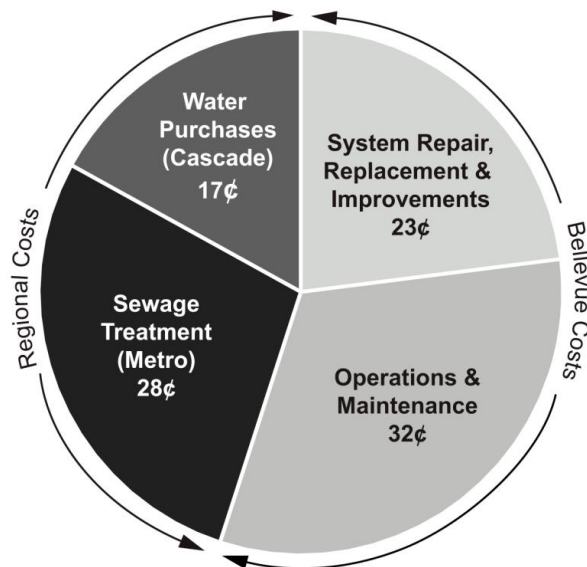
Utilities bills customers on a bimonthly basis for water, wastewater, and storm and surface water services. Rates are reviewed regularly to ensure they are competitive with neighboring cities and provide a level of service expected by customers. Factors that affect rates include:

Regional Costs: Bellevue purchases water from Cascade Water Alliance and contracts with King County for wastewater treatment. These regional costs, which account for almost half of Bellevue's water and wastewater costs but which we do not directly control, are increasing at a greater rate than Bellevue Utilities' local costs.

Aging Infrastructure: About half of Bellevue's Utilities infrastructure is past mid-life, and significant investments are needed to maintain or replace aging systems.

Growth and Regulatory Requirements: Capital projects to provide necessary wastewater capacity and increased drinking water storage are on the horizon. Compliance with state and federal regulations require more monitoring and testing.

WHERE YOUR UTILITIES DOLLAR GOES



WATER

Your drinking water comes from the Tolt and Cedar River Watersheds in East King County. Your water, purchased from the Cascade Water Alliance, flows through Bellevue's pipes into reservoirs where it is stored. Bellevue Utilities operates and maintains all pipes, valves, pumps and reservoirs to ensure safe and reliable drinking water for our customers. The water is monitored daily to make sure that it meets or exceeds local and federal water quality standards.

Your residential Water Service charge is based on two elements:

- **Water Meter Charge:** This charge covers the "system" costs to bring the water to you. As the meter size increases, so does the meter charge. Most residential accounts have only one meter; commercial accounts frequently have multiple meters. This meter charge is a flat fee, and must be paid even when no water is consumed.
- **Consumption Charge:** Your water meter is read every two months and your consumption is measured in ccfs (hundreds of cubic feet). One ccf is equal to 748 gallons of water. The measured consumption is billed to you in tiers designed to encourage conservation. The first 20 ccfs are billed at the lowest rate, the next 10 at a slightly higher rate, etc. There are a total of four tiers.

WATER UTILITY
2011-12 Bi-monthly Water Meter Charges
(Excluding City Tax or Local Jurisdiction Franchise Fee)

Meter Category/Size	2010 Rates	2011 Rates	% Increase	2012 Rates	% Increase
<u>Domestic Meters</u>					
5/8" or 3/4"	\$26.57	\$27.44	3.3%	\$29.61	7.9%
1"	\$47.02	\$48.56	3.3%	\$52.40	7.9%
1-1/2 "	\$79.54	\$82.15	3.3%	\$88.65	7.9%
2"	\$122.25	\$126.26	3.3%	\$136.25	7.9%
3"	\$267.10	\$275.86	3.3%	\$297.68	7.9%
4"	\$393.50	\$406.41	3.3%	\$438.56	7.9%
6"	\$736.55	\$760.72	3.3%	\$820.90	7.9%
8"	\$1,145.84	\$1,183.44	3.3%	\$1,277.06	7.9%
10"	\$1,609.36	\$1,662.16	3.3%	\$1,793.66	7.9%
<u>Domestic/ Fire Combo Meter</u>					
1"	\$28.50	\$29.44	3.3%	\$31.77	7.9%
1 1/2"	\$31.36	\$32.39	3.3%	\$34.95	7.9%
2"	\$43.92	\$45.36	3.3%	\$48.95	7.9%
<u>Irrigation Meters</u>					
5/8" or 3/4"	\$23.15	\$27.44	18.5%	\$29.61	7.9%
1"	\$38.48	\$48.56	26.2%	\$52.40	7.9%
1-1/2 "	\$62.45	\$82.15	31.5%	\$88.65	7.9%
2"	\$94.91	\$126.26	33.0%	\$136.25	7.9%
3"	\$212.42	\$275.86	29.9%	\$297.68	7.9%
4"	\$308.00	\$406.41	32.0%	\$438.56	7.9%
6"	\$565.63	\$760.72	34.5%	\$820.90	7.9%
8"	\$872.31	\$1,183.44	35.7%	\$1,277.06	7.9%
10"	\$1,216.12	\$1,662.16	36.7%	\$1,793.66	7.9%
<u>Service Charge For Private Fire Protection</u>					
5/8" or 3/4"	\$14.54	\$15.02	3.3%	\$16.21	7.9%
1"	\$16.90	\$17.45	3.3%	\$18.83	7.9%
1-1/2 "	\$19.31	\$19.94	3.3%	\$21.52	7.9%
2"	\$25.90	\$26.75	3.3%	\$28.87	7.9%
3"	\$74.40	\$76.84	3.3%	\$82.92	7.9%
4"	\$92.36	\$95.39	3.3%	\$102.94	7.9%
6"	\$134.30	\$138.71	3.3%	\$149.68	7.9%
8"	\$182.18	\$188.16	3.3%	\$203.05	7.9%
10"	\$224.12	\$231.47	3.3%	\$249.78	7.9%

WATER UTILITY
2011-12 Bi-monthly Water Consumption Charges
(Excluding City Tax or Local Jurisdiction Franchise Fee)

Customer Type	2010 Rates	2011 Rates	% Increase	2012 Rates	% Increase
VOLUME CHARGES (Per ccf)					
<u>Single Family</u>					
0 - 20 ccf	\$2.65	\$2.74	3.4%	\$2.96	8.0%
21 - 30 ccf	\$3.66	\$3.78	3.3%	\$4.08	7.9%
31 - 100 ccf	\$4.70	\$4.85	3.2%	\$5.23	7.8%
Over 100 ccf	\$6.99	\$7.22	3.3%	\$7.79	7.9%
<u>Multi-Family</u>					
Monthly Service Charge Per Unit	\$0.00	\$0.00	0.0%	\$0.00	0.0%
0 - 11 ccf	\$3.19	\$3.29	3.1%	\$3.55	7.9%
12 - 15 ccf	\$3.56	\$3.68	3.4%	\$3.97	7.9%
Over 15 ccf	\$4.20	\$4.34	3.3%	\$4.68	7.8%
<u>Non-Residential</u> (No Separate Irrigation Meter)					
Winter	\$2.70	\$2.79	3.3%	\$3.01	7.9%
Summer	\$3.79	\$3.91	3.2%	\$4.22	7.9%
<u>Non-Residential</u> (Domestic Use - with Separate Irrigation Meter)					
Winter	\$2.70	\$2.79	3.3%	\$3.01	7.9%
Summer	\$3.41	\$3.52	3.2%	\$3.80	8.0%
Irrigation	\$5.46	\$5.45	-0.2%	\$5.88	7.9%

WASTEWATER

Water that leaves a Bellevue home or business (wastewater) is conveyed through city-owned pipes and pump stations, treated at King County's sewerage system, then discharged into Puget Sound. Bellevue Utilities operates and maintains all pipes and pump stations to ensure reliable service and to prevent overflows into streams, lakes and private property.

Your residential Wastewater Service charge is based on two elements:

- **Metro Charge:** Flat fee levied by King County for sewerage processing. We pass your payment directly to the county.
- **Consumption Charge:** This charge is based on your "average winter volume," which actually is your average water consumption over the previous winter and spring, calculated from the three bills sent between Dec. 15 and June 15. This volume is a good measure of what actually goes into the sewer system, because it does not include any water used for irrigation. Once this average is established, it is the consumption basis for every wastewater bill throughout the year. A new average winter volume is established at the end of each year for the upcoming year. For commercial accounts, wastewater is charged based on current actual water volume metered.

WASTEWATER UTILITY

2011-12 Bi-monthly Wastewater Charges (Excluding City Tax or Local Jurisdiction Franchise Fee)

Customer Type	2010 Rates	2011 Proposed Rates	% Increase	2012 Proposed Rates	% Increase
<u>Single Family</u>					
Base Charge (per unit)	\$63.80	\$72.20	13.2%	\$72.20	0.0%
Volume Charge (per ccf)					
0 - 50 ccf	\$2.65	\$2.71	2.3%	\$2.82	4.1%
Over 50 ccf	\$3.43	\$3.50	2.0%	\$3.65	4.3%
<u>Multi-Family</u>					
Base Charge per unit (Includes 11 ccf)	\$65.99	\$74.41	12.8%	\$74.44	0.0%
Volume Charge (per ccf) Over 11 ccf	\$5.99	\$6.05	1.0%	\$6.14	1.5%
<u>Non-Residential</u>					
Minimum Charge (Includes 15 ccf)	\$103.50	\$112.74	8.9%	\$114.43	1.5%
Volume Charge (per ccf) Over 15 ccf	\$6.66	\$7.25	8.9%	\$7.36	1.5%

STORM AND SURFACE WATER

Bellevue Utilities provides flood control systems throughout the city to help prevent flooding and damage from storms. Utilities also provides water quality protection for Bellevue's streams, lakes and wetlands (surface water). Stormwater flows off streets and sidewalks, enters storm drains and eventually reaches a stream, lake or wetland.

Storm and Surface Water charges serve to maintain and improve the entire city's stormwater system. These charges are based on the size of your lot and the percentage of impervious surface. Impervious surfaces are mainly constructed surfaces -- rooftops, sidewalks, roads, patios and parking lots -- covered by impenetrable materials such as asphalt, concrete, brick and stone. These materials seal surfaces, repel water and prevent it from infiltrating soils. The higher the percentage of impervious surface, the higher the classification for billing purposes. The range of classifications runs from "wetlands" to "very heavily developed."

STORMWATER UTILITY 2011-12 Bi-monthly Stormwater Charges (Excluding City Tax, if applicable)

Development Category	2010 Rates	2011 Rates	% Increase	2012 Rates	% Increase
BILLING CHARGE	\$3.82	\$3.94	3.1%	\$4.07	3.3%
Square Footage Charge (per 2000 sq ft)					
Wetlands	\$0.00	\$0.00		\$0.00	
Undeveloped (0%)	\$0.64	\$0.66	3.1%	\$0.68	3.0%
Lightly Developed (To 20%)	\$4.60	\$4.75	3.3%	\$4.90	3.2%
Moderately Developed (To 40%)	\$5.75	\$5.93	3.1%	\$6.12	3.2%
Heavily Developed (To 70%)	\$8.60	\$8.88	3.3%	\$9.17	3.3%
Very Heavily Developed (Over 70%)	\$11.46	\$11.83	3.2%	\$12.21	3.2%

TAXES AND FEES

Bellevue Utilities pays a utility tax to the City of Bellevue, as do all utilities doing business in the city. The utility tax on water is 10.4% and the utility tax on wastewater and stormwater service is 5%. For customers outside the City of Bellevue, there may be a separate local franchise fee. The City tax or local franchise fee, as applicable, is indicated as a separate line item for each service on your bill. Current local jurisdiction franchise fee rates are:

Franchise Fee Rate

<u>Jurisdiction</u>	<u>Water</u>	<u>Wastewater</u>	<u>Stormwater</u>
Clyde Hill	9.0%	9.0%	N/A
Hunts Point	4.5%	4.5%	N/A
Medina	3.0%	3.0%	N/A
Yarrow Point	5.0%	5.0%	N/A
Other Jurisdictions	0.0%	0.0%	N/A

Bellevue Utilities also pays excise and/or B&O tax to the State of Washington. These taxes are included in the base rates shown above.

OTHER CHARGES

You may also see a "capital recovery charge" on your bill. Capital recovery charges are flat, limited-term charges levied when development or redevelopment places additional demand on the existing infrastructure for water, wastewater or storm and surface water. These charges are determined at the time of permit application and are billed over a 10-year period. If the property is sold, the charges stay with the property, not the owner.

Your bill may also have an additional bottom section, entitled "other charges and adjustments." This section will reflect any delinquent charges and any other adjustments made to your account since the last bill you received.

Bellevue Utilities customers living in unincorporated King County may see a street light charge on their bill. As a courtesy to King County, Bellevue Utilities has agreed to bill unincorporated residents in our service area for street lights. We receive street light bills from Puget Sound Energy and pass them through to customers in unincorporated areas. (Street lights for city residents are billed to the Transportation Department and are paid for by taxes).